

At one point, I was a Governor. In my own State of Nebraska, this expansion will cost the State taxpayers \$73 million a year when they have to assume the costs of the program. That is a lot of money to come up with in these tough economic times.

The American people, I believe, deserve more than budgetary tricks. Let's be honest about what we are trying to do here, and let's be very candid with people about the real costs, the fully implemented costs of the program. Let's also be very upfront about the realities of what a government-run program can or cannot accomplish in actually bringing down health care costs.

Some claim that a government-run plan will serve as competition for private insurance and, thus, will bring down the cost of those insurance premiums. However, the CBO score makes it clear that if a government-run plan competes on a truly level playing field, it is not going to lower health care costs. The only way a government-run program can offer reduced insurance premiums is if they pay providers and hospitals at rates equivalent to current government programs. But this wouldn't cover costs. Instead, it would create cost shifting under private insurance, which is already happening today. CBO cautioned that reducing payment rates would only increase the access problems we have with current government programs.

Currently, we know 40 percent of doctors don't take Medicaid patients. It is not that they don't want to; it is because the rates are so low they don't cover their costs. This directly contradicts President Obama's message: If you like your doctors, you will be able to keep them.

The reality is, on this government program—Medicaid—which is due to insure more, that is not the case. The CBO score actually confirms that many employees would lose their employer-based health care should this bill become law.

Let me put up a chart, if I might.

In fact, the HELP Committee's bill seems to directly encourage employers to dump their employees into a government-run plan. In the committee draft, businesses that employ 25 or more employees would be required to pay an annual penalty, which is shown here, of \$750 for a full-time employee, if they choose not to provide private health insurance for the employees. When you do the math, though, this isn't a penalty at all compared to the cost of private insurance.

Looking again at the chart, in 2008, the average employer's cost for an individual in a group plan was \$3,983. So putting their employees on the public plan option is actually a savings. It is a savings, as the chart shows, of \$3,233 a year for each employee for that employer.

Paying the so-called penalty to get out from underneath the private insurance costs looks like a pretty smart

business decision. In fact, I don't think it is a coincidence that a very large retailer recently came out in support of the employer mandate. When I heard this news, my initial reaction was, What is the catch?

Well, I think we found the catch. With over 1.4 million employees, this company reports that 51.8 percent of their employees have coverage through an employee health care plan. If all of these employees end up on the public plan, it would save this company \$2.4 billion a year. The employees, members of our middle class, lose their insurance plan and the promise is not kept.

It is no surprise the company does very well: \$2.4 billion goes to the bottom line. Also no surprise, this company is supporting an employer mandate. Ultimately, people will not have a choice to keep their employer-based coverage and will not receive the same level of care when their employer dumps them onto the government plan to make their bottom line look better. This will directly impact the ability of the middle class to choose the doctor they want. It will inject government bureaucrats into their medical decisions because they have no choice. It is an employer's choice to move you to the government plan. To promise otherwise is misleading.

False promises will not help us achieve true solutions. Congress has been tasked with solving this problem, and we must work together to resolve the problem of reining in soaring costs. Adding another \$2 trillion entitlement program onto a budget that is already in serious trouble doesn't make sense.

The American people have sent us to Washington to identify the problem and fix it, not exacerbate it. Let's not put together bad policy and end up with another financial debacle. This time there is far more than money on the line. Americans treasure their ability to choose their doctors, to receive treatment, to have control of their life. They don't want a Federal bureaucrat in the middle of it. So let's be candid with the American people and put together a good bill that actually addresses the real problems. Let's get it right this time.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized.

Mr. KAUFMAN. Mr. President, I ask unanimous consent to speak as in morning business for 20 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HEALTH CARE

Mr. KAUFMAN. Mr. President, I rise today to talk about health care and why Congress needs to pass reform now.

There are three simple truths to healthcare reform:

First, if we don't pass healthcare reform this year, the stars will not align

for another opportunity to pass a major reform bill for years and years to come.

Don't kid yourself: The last time Congress failed to pass major health care reform, 15 years passed until today.

If the Congress fails to enact a health care reform bill this year, with a new President in his first year in office who has a strong relationship with Congress, it simply will not be done until years from now when the system has collapsed into truly catastrophic shape.

And that leads to the second simple truth: We must pass reform now because the consequences of failure are not that we will be stuck with the health care system we have today. The consequences of failure are a very ugly health care reality our system is quickly becoming.

Our health care system has become a gigantic resource-eating machine which over time sucks in more money and yet delivers fewer options and decreased quality care, rising premiums, uncertain coverage, decreased quality.

That is the reality.

The comparison of failing to enact reform is not to the system we have today but to a very ugly destiny we will face relatively soon.

For example, if we do nothing, by 2016 health care premiums are projected to grow to an average of \$24,000 per family. Let me repeat, by 2016, \$24,000 on average for health care costs per family every year. That is simply unacceptable.

The third simple truth of health care reform is that if you like what you have today, we need health care reform so you can keep it.

We need reform to maintain stable coverage that can't be taken away from you; to maintain stable costs, that will not eat away at your paycheck and will not put coverage out of reach; and to maintain stable quality, so you get the treatment you need, when you need it, and from the doctor you choose.

Only reform keeps and improves on the best of our current system. Failure to act leads to a catastrophic health care future. I am not exaggerating.

This is where we are. The pressures on the system are building. If we fail to act now, those pressures will cause rising costs, decreased choice, the loss of access to current quality health care and basically worse health care outcomes across the board than we face today.

Let me add some additional statistics and projections.

Health care spending is swallowing up our gross domestic product, GDP. In 2009, health care will account for 18 percent of our GDP.

Eighteen cents of every dollar we spend is dedicated to health care. If we do nothing, this will rise to 28 percent of GDP in 2030 and 34 percent in 2040. This trajectory is unsustainable.

Today, the average premium for family coverage is just over \$12,000—an increase of 119 percent in 9 years. As I

said, if we sit by and do nothing, by 2016, a family premium will be estimated to cost at least \$24,000—another increase of 83 percent. And in my home State of Delaware, it will be even higher, with a family insurance policy purchased through an employer estimated to cost over \$28,000.

Can you imagine paying for that? And that doesn't even include out-of-pocket costs such as deductibles and copayments. When health insurance premiums grow at a rate five times as fast as wages, something has to change.

There also has been an increasing prevalence of medical bankruptcies. A recent study published in the *American Journal of Medicine* showed that bankruptcies involving medical bills now account for more than 60 percent of U.S. personal bankruptcies, an increase of 50 percent in just 6 years.

In fact, more than 75 percent of families entering bankruptcy because of health care costs actually have health insurance. Most are middle-class, well educated, and own their homes. They just can't keep up with the alarming rise in out-of-pocket costs associated with medical care.

Passing health care reform is important, but not easy. But for the reasons I have mentioned, this year is different. This year, the call for reform is coming from people and organizations that in the past opposed reform.

This year businesses, unions, insurers, provider groups and patient advocacy groups are all looking for reform.

And why is that? Because the growing health care dollars involved threaten virtually to bankrupt us all. We need reform to stabilize the system.

I think it is important to keep in mind that this is not just about an alarming set of numbers, statistics and cost projections.

Behind all these numbers are real people who need quality and affordable health care, including people who struggle every day to get health care or keep the health insurance they already have.

Let me take just a few minutes to talk about some people from my home State of Delaware and why we need health reform for them, as well as for millions of Americans like them in all parts of the country.

We need health reform because of people such as Angela Austin.

Angela is a recent mother who lives in Dover. She works as a bartender. Most of her earnings come from tips. She doesn't get health insurance through her employer. When Angela became pregnant she tried to find private health insurance, but she was repeatedly denied coverage because her pregnancy was considered a preexisting condition. She applied for Medicaid—to find prenatal care for herself and the baby—but was denied coverage because she earned \$200 more than the monthly income limit allowed. She called organizations and clinics and was unable to find a payment plan she could afford.

Midway through her pregnancy, Angela decided to cut back her work hours so she could qualify for Medicaid. Thankfully, Angela was finally able to get services at Christiana Care's Wilmington Hospital, where they provide prenatal care and delivery on a sliding scale for those who can't afford insurance.

She worked all 9 months of the pregnancy and delivered the baby on May 27. The Medicaid coverage was especially crucial because she had complications from hyperthyroidism and was able to get the necessary prescriptions to control the condition.

The sad part of this story is that when Angela was so anxious that everything possible be done to insure a healthy baby, the system threw up road blocks. Pregnancy should not be considered a preexisting condition. What is more, no one should be denied coverage because of a preexisting condition, and no one should be forced to choose poverty to qualify for Medicaid.

We also need health reform for small businessmen such as Ian Kaufman of Georgetown. By the way, Ian is not a relative of mine.

Ian moved to Delaware right out of college in 1990. He was laid off from his job this past January and decided to start a small business. In the process, Ian picked up COBRA coverage to ensure that his family maintained their health care insurance.

When he first signed up for the COBRA coverage, his monthly premium was \$1,800. That is a lot of money. Thanks to the COBRA provisions in the Recovery Act, Ian saw his payments reduced by 66 percent—which made his monthly premiums much more manageable.

However, this premium assistance will run out sometime this fall, and he will once again have to pay \$1,800 a month.

In anticipation of higher COBRA payments, Ian applied for coverage from Blue Cross and Blue Shield but was turned down. They never gave him a reason for denying him coverage, but he suspects it was because of a pre-existing condition of one of his daughters.

Ian worries that the high cost of providing health care for his family, in addition to the difficulty of even finding a willing policy provider, will affect his ability to stick with his startup business.

Unfortunately, Ian's health insurance predicament as a self-employed businessman is not uncommon. There are too many sole proprietors and small businesses that cannot afford health policies for themselves, their families and any employees they might have. It should not be this way.

But it is not always just a problem of finding private health insurance. We also need health reform for people such as Bonita Sponsler from Dagsboro so they don't slip through the cracks of our existing safety net of Medicaid and Medicare.

Bonita was laid off from her job in March 2007. Three weeks later she suffered a brain aneurysm. Bonita applied for Social Security disability and was awarded benefits, but as with everyone who qualifies for such coverage, she has to wait 2 years before Medicare coverage kicks in.

Meanwhile, Bonita has suffered two additional aneurysms since her initial episode, and it is advised that she receive an arteriogram to monitor her condition. Unfortunately, she can't afford to pay the several thousands of dollars it costs for an arteriogram, so she is taking her chances until she becomes eligible for Medicare in October. This is a considerable risk due to her propensity for aneurysms, but it is the only option she can afford. In fact, she has had to cancel a scheduled arteriogram in September because she still would not have coverage by then. It should not be this way.

Finally, we need health reform for people who pile up insurmountable debt, many times due to accidents or injuries they never caused and couldn't avoid.

Without using her name, I want to highlight the situation of a Delaware woman who is a victim of domestic violence.

She suffered major eye damage and has had three surgeries. She has no health insurance and by late 2008 owed almost \$30,000 in hospital and anesthesia bills, in addition to \$6,000 in personal bills.

She received lost wages from the Violent Crimes Compensation Board. She applied for Medicaid but was turned down. She then applied for Social Security disability but was also turned down as her eye condition was not considered to be permanent and could be repaired with additional surgery.

After waiting many months, she was finally able to get the eye surgery she needed because the doctor who performed the procedure reduced the fee from \$12,000 to \$3,000 and allowed her to go on a payment plan.

However, she still owes \$20,000 to \$30,000 for the prior surgeries. She is presently not working and does not have health insurance. She could have had COBRA following the loss of her job, but it was \$890 a month and she could not afford it. She presently can see well enough to drive. However, she is due for yet another surgery and the financial arrangements for that will again be extremely difficult if not impossible. It shouldn't be this way.

These stories help to show why we can no longer wait for health reform.

These stories require us to put our differences aside and come together to make certain that Americans have access to affordable, quality health care when they need it.

In my short time in the Senate, I have had the pleasure of presiding over the floor at the President's desk. I have listened to many of my colleagues give good, passionate speeches staking out their position on where we need to go

on health reform. I can truly say I have learned a lot from those speeches, many of which have helped shape my own views on the health reform debate.

That said, I have also heard some speeches that give me cause for concern, as some colleagues seem to have prejudged the legislation before it has even appeared.

I have heard about the dangers of a British or Canadian-style government-run health care system.

I have been warned about rationing and bureaucrats getting between Americans and their doctors.

I have listened to stories about patients from other countries that come here to get care they can't receive in a timely manner back in their own country.

I have heard over and over about a government-run takeover of health care.

I do not doubt the sincerity of my colleagues who see potential pitfalls in health care reform. But when I hear these speeches, I often wonder what legislation they are warning us about.

So far, I have not seen any bill being discussed in committee that calls for a government-run, single-payer system such as Canada or Great Britain.

I have not seen any legislative text that puts restrictions on what treatments doctors can provide or what they can discuss with their patients.

I have not read any language that rations any sort of health care.

I hope that the fears about change in our health care system do not hurt our chances of enacting reform this year.

I hope the debate over the bill is centered around what is actually in the legislation, not extrapolations about provisions in the bill or frightening projections of a health care system in other countries that are not actually being proposed here in Congress.

I hope that as the debate moves forward, all of us in the Senate will step back, take a breath, and remember why we need to reform health care. We are moving quickly toward a health care system that Americans will no longer be able to afford. The system is quickly hurtling out of control.

Yes, we do need to keep what works, and we need to fix what is broken.

We need to make certain that Americans can get affordable health insurance without worrying about pre-existing conditions.

We need to help Americans avoid bankruptcy because of out-of-control medical bills.

We need to ensure stability in the system so that Americans maintain insurance options and their choice of doctor.

Most important, we as a country need to take control of our health care destiny. We can have a future in which Americans can have stable coverage, with stable costs and stable quality. Or if we do nothing, we will have a future of rapidly increasing premiums, uncertain coverage and decreased quality.

I urge my colleagues to gather their collective will, realize what is best for

our country and do the right thing during this historic opportunity by passing health care reform.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

HEALTH CARE REFORM

Mr. KYL. Mr. President, I wanted to deliver these remarks on the same subject of health care earlier in the week. I had been back home in Arizona during the July recess and had spoken to many of my constituents about the subject. I didn't have the opportunity to address this subject until today. I note that health care is very much on their minds. They have been asking a lot of questions. My constituents have been following the health care debate, and the majority I have spoken with are very much in favor of reform.

I think all of us in this body realize there are things we have to do to lower the cost of health care and ensure everybody has an opportunity to be covered.

I can also tell you they are very concerned about the reforms that have been proposed by the President. They wonder whether they, in fact, will work to their best interests. Cost is an issue that has come up repeatedly when I have spoken with my constituents. They want to know why we have to spend so much money in order to—allegedly—save money and how much it will cost. I tell them it is projected to cost at least a trillion dollars. This is not a fanciful figure; this is what the two bills pending before the Senate are being scored at, meaning that the Congressional Budget Office has said that is about how much they are going to cost. The ultimate price tag could be even higher because in the case of one of the bills, not everything that is going to be in it has already been scored by the CBO, and as to the Finance Committee bill, it is still very much a work in progress.

The usual reaction people have to a trillion dollar-plus health care bill is that they cannot believe we would want to spend that much money or that we can't afford to spend that much. They know already that there are only two ways the Federal Government can pay for such a massive program: one, either borrow more money or, two, impose new taxes or some combination of the two. Naturally, they don't like either alternative.

Most Arizonans think Washington has already borrowed more money than taxpayers can handle, after the President's \$1.2 trillion stimulus bill, the \$400 billion Omnibus appropriations bill, and the \$3.4 trillion, 10-year budget. Now we hear talk about adding an additional trillion dollars on top of that. The folks in Arizona think that is just too much. In fact, by the end of the fiscal year, our publicly held debt will be about 57 percent of our gross domestic product, and deficits of a tril-

lion dollars a year are projected for the next decade. We just got the statistics for the deficit this year. It is already at \$1.1 trillion. By the end of the year, it could easily be another half-trillion dollars above that. This will drive the debt to at least 82 percent of the gross domestic product by 2019. To give you an idea of what that means, the GDP is how much money we make as a country. It would be the same as saying that for a family that has an income of \$100,000, its credit card debt is \$89,000. Try paying off an \$89,000 credit card debt on a \$100,000 income. The interest payments on the debt will soon make up the single-largest item in our budget. So, obviously, when we talk about spending another trillion dollars we don't have, my constituents are very wary of this. They are wary about the debt, and, to say the least, they don't think it is fair for Washington to pass another trillion-dollar bill, with the costs being transferred to our children and grandchildren—especially after what happened with the stimulus, which has, frankly, included a great deal of waste and obviously has failed to contain unemployment.

A lot of folks have expressed skepticism that spending another trillion dollars is the right way to reduce health care costs. Frankly, I agree with them. Somebody has to pay the trillion dollars. They are also concerned about the new taxes that have been proposed to pay for this because, in fact, part of this trillion dollars is proposed to be paid for through new taxes. There have been all kinds of ideas proposed, such as a tax on beer, soda, juice, and snack food. Those are really small items, but they hit people right where it counts when they go to the grocery store.

There is also a new value-added tax idea. This hits the small business men and women, who are especially concerned because of the new taxes that some are suggesting they should pay—as much as a 10 percentage point increase in the amount of taxes they would have to pay. This is important because, in our economic downturn today, we know it is small businesses that are going to create the jobs that will bring us out of the recession. This would not be just a job killer but an economic growth and recovery killer with that kind of tax imposed on these folks.

My constituents want to know—and, frankly, I want to know—if the President will fulfill his campaign pledge not to raise taxes one single dime on the middle class and whether he will veto any legislation that includes the kinds of taxes of which I am speaking that would fall directly on families. They believe and I believe there ought to be a different way to achieve the health care we want—in other words, without this new round of spending and taxes.

They have heard the President argue in his pitches for Washington to change our health care system that if we spend